

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Wellesley Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2018
DATE: November 9, 2016

Required Fiscal Year 2018 Appropriation: **\$7,835,775**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2018 which commences July 1, 2017.

Attached please find summary information based on the present funding schedule for your system and the portion of the Fiscal Year 2018 appropriation to be paid by each of the governmental units within your system. The allocation by governmental unit was determined by Segal Consulting as part of their January 1, 2015 actuarial valuation.

If your System has a valuation currently in progress, you may submit a revised funding schedule to PERAC upon its completion. The current schedule is/was due to be updated by Fiscal Year 2018.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachments

cc: Board of Selectmen
Town Meeting
c/o Town Clerk

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Wellesley Retirement Board

Projected Appropriations

Fiscal Year 2018 - July 1, 2017 to June 30, 2018

Aggregate amount of appropriation: **\$7,835,775**

Fiscal Year	Estimated Cost of Benefits	Funding Schedule (Excluding ERI)	ERI	Total Appropriation	Pension Fund Allocation	Pension Reserve Fund Allocation	Transfer From PRF to PF
FY 2018	\$9,213,756	\$7,820,193	\$15,582	\$7,835,775	\$7,835,775	0	\$1,377,981
FY 2019	\$9,492,259	\$8,103,610	\$15,582	\$8,119,192	\$8,119,192	\$0	\$1,373,067
FY 2020	\$9,778,989	\$8,397,302	\$15,582	\$8,412,884	\$8,412,884	\$0	\$1,366,105
FY 2021	\$10,074,188	\$8,701,641	\$15,582	\$8,717,223	\$8,717,223	\$0	\$1,356,965
FY 2022	\$10,378,107	\$9,017,013	\$15,582	\$9,032,595	\$9,032,595	\$0	\$1,345,512

The Total Appropriation column shown above is in accordance with your current funding schedule and the scheduled payment date(s) in that schedule. Whenever payments are made after the scheduled date(s), the total appropriation should be revised to reflect interest at the rate assumed in the most recent actuarial valuation. Payments should be made before the end of the fiscal year.

For illustration, we have shown the amount to be transferred from the Pension Reserve Fund to the Pension Fund to meet the estimated Cost of Benefits for each year. If there are sufficient assets in the Pension Fund to meet the Cost of Benefits, this transfer is optional.

SECTION 3: Supplemental Information for the Town of Wellesley Contributory Retirement System

EXHIBIT G

Department Results as of January 1, 2015

	Housing	Water	Light	School	Veteran	All Other	Total
1. Participant counts							
a) Active employees*	7	32	28	311	1	306	685
b) Inactive members entitled to a return of their employee contributions	0	0	1	174	1	22	198
c) Inactive members with a vested right to a deferred or immediate benefit	1	0	0	2	0	4	7
d) Retired members	4	14	34	121	1	233	407
e) Total members : (a) + (b) + (c) + (d)	12	46	63	608	3	565	1,297
2. Projected payroll for calendar year 2015	\$302,733	\$1,970,652	\$2,303,625	\$11,117,705	\$52,568	\$20,212,444	\$35,959,727
3. Normal Cost							
a) Total normal cost	\$41,794	\$256,963	\$458,499	\$1,544,568	\$8,083	\$3,319,422	\$5,629,329
b) Expense allowance	1,856	11,412	20,362	68,595	359	147,416	250,000
c) Employee contributions	<u>(28,013)</u>	<u>(180,359)</u>	<u>(216,987)</u>	<u>(1,034,959)</u>	<u>(5,182)</u>	<u>(1,945,305)</u>	<u>(3,410,805)</u>
d) Employer normal cost : (a) + (b) + (c)	\$15,637	\$88,016	\$261,874	\$578,204	\$3,260	\$1,521,533	\$2,468,524
4. Total actuarial accrued liability	1,394,442	11,587,819	19,116,592	42,066,536	279,985	133,482,863	207,928,237
5. Actuarial value of assets	<u>1,025,778</u>	<u>8,524,218</u>	<u>14,062,525</u>	<u>30,944,935</u>	<u>205,962</u>	<u>98,192,505</u>	<u>152,955,923</u>
6. Unfunded actuarial accrued liability : (4) - (5)	\$368,664	\$3,063,601	\$5,054,067	\$11,121,601	\$74,023	\$35,290,358	\$54,972,314
7. Projected Employer Normal Cost, adjusted for timing	16,170	91,017	270,804	597,920	3,371	1,573,416	2,552,698
8. Projected unfunded actuarial accrued liability	380,903	3,165,310	5,221,857	11,490,826	76,480	\$36,461,959	\$56,797,335
9. 2010 ERI Payment	0	0	15,582	0	0	0	15,582
10. Payment on projected remaining unfunded actuarial accrued liability	34,723	218,104	488,321	631,695	4,203	3,340,571	4,717,617
11. Budgeted contribution for fiscal 2016: (7) + (9) + (10)	\$50,893	\$309,121	\$774,707	\$1,229,615	\$7,574	\$4,913,987	\$7,285,897

SECTION 3: Supplemental Information for the Town of Wellesley Contributory Retirement System

	Housing	Water	Light	School	Veteran	All Other	Total
12. Recommended contribution for fiscal 2017	\$49,649	\$367,560	\$744,853	\$1,612,181	\$10,097	\$4,777,932	\$7,562,273
13. Recommended contribution for fiscal 2018	51,456	380,852	771,140	1,671,178	10,464	4,950,685	7,835,775

** Certain employees have benefit accruals allocated to multiple departments.*